GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3595
ANSWERED ON:20.08.2004
CONSUMER NON-DURABLES
Patil Shri Shriniwas Dadasaheb

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the growth in consumer non-durables has fallen sharply from 12.0 percent in 2002-2003 to 5.7 per cent in 2003-2004;

(b) if so, the reasons for this fall; and

(c) the steps taken by the Government to boost the consumer non-durable industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (Shri E.V.K.S. ELANGOVAN)

(a) & (b) : As per the latest data on Index of Industrial Production (IIP) (Base year1993-94=100) released by the Central Statistical Organisation (CSO), the growth rate in output of consumer non-durable goods slowed down from 12.0 per cent in 2002-03 to 5.8 per cent in 2003-04. This slow down is an outcome of a number of factors, which among others, include demand and supply factors, relative prices, and availability of substitutes.

(c): Government has put in place various policies to promote industrial growth. These include delicensing of industrial capacity, liberalisation of foreign trade regime and rationalisation of customs duty, excise duty and corporation taxes. Further, Union Budget for 2004-05 has made number of announcements, which will have a favourable impact on industrial growth. These include setting up of National Manufacturing Competitiveness Council to suggest measures to enhance competitiveness in the manufacturing sector, establishment of the Investment Commission to woo and facilitate both domestic and foreign businesses to invest in India and rationalisation of excise and customs duties. Renewed focus on investment and infrastructure and expanded employment programme would inject purchasing power into the economy and help increase in demand for consumer non-durables.